alloying zirconia with a <u>first</u> stabilizer <u>comprising yttria and a second stabilizer</u> selected from the group of [yttria,] ceria, magnesia, ytterbia, scantia, dysprosia, neodymia, and calcia [, the stabilizer being present in a quantity of between about 5% and 25% relative to the zirconia by weight];

powderizing the alloyed stabilized zirconia;

spray-drying the stabilized zirconia powder to produce an agglomerated powder having an average particle size suitable for use in spray coating applications.

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- 3. (Amended) The method of claim 1 [2], wherein the yttria is present in a quantity of between about 6% and 10% relative to the zirconia.
- 4. (Original) The method of claim 3, wherein the yttria is present in a quantity of about 8% relative to the zirconia.
- 5. (Original) The method of claim 1, wherein at least a substantial portion of the stabilized zirconia powder comprises particles having a size of no more than about an order of magnitude smaller than an average particle size of the agglomerated powder.
- 6. (Original) The method of claim 1, wherein the stabilized zirconia powder has an average particle size of no more than about 10 microns.
- 7. (Original) The method of claim 6, wherein the agglomerated powder has an average particle size in the range of between about 11 and 150 microns.

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- 28. (New) The method of claim 1, wherein the second stabilizer comprises ceria.
- 29. (New) The method of claim 1, wherein the second stabilizer comprises ytterbia.
- 30. (New) The method of claim 1, wherein the second stabilizer comprises magnesia.
- 31. (New) The method of claim 1, wherein the second stabilizer comprises scantia.
- 32. (New) The method of claim 1, wherein the second stabilizer comprises dysprosia.
- 33. (New) The method of claim 1, wherein the second stabilizer comprises neodymia.
- 34. (New) The method of claim 1, wherein the second stabilizer comprises calcia.